

1:Stanford U. S-4, 5 1956 AF14 Central China AF14

for financial resources rely upon deposits and some special funds allocated by the co-operatives concerned and (3) mutual-aid credit, which is of the lowest level. Each credit co-operative is organized among twenty or thirty farmers, each farmer subscribing an equal amount of funds to the group to help those of their own number when in need. Credit is extended by agreement of the subscribers and is redeemable in installments. 452 474

At the beginning of the fourth quarter of 1954 it was reported that there were more than 30,000 credit co-operatives in Central-South China, about 42 per cent of the total for all of China.

H. Chinese People's Insurance Company

The Chinese People's Insurance Company was set up on October 20, 1949, under the direction of the Ministry of Finance and the People's Bank.⁶ Its aim was to eliminate foreign-operated and Chinese-owned insurance firms, and to concentrate the insurance business in the hands of the government. Branches and sub-branches were established throughout the country, and where there is no separate branch office of the insurance company the People's Bank acts as its agent. 456 •

Assets of government organs, state enterprises, and co-operatives as well as persons travelling by train, steamer and airplane are compulsorily insured. Group personal insurance and insurance on cotton crops and animals used for ploughing are actively encouraged, while other kinds of insurance are available but not at present actively promoted.

6. Hsin Chung-kuo Ta-shih Chi-k'an [New China Events Quarterly], No. 4, Peking, Jen-min ch'ü-p'an-she, 1949, p. 125; Cheng Chu-yüan, op. cit., p. 116.

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The Chinese People's Insurance Company is considered by the Communists as a means of accumulating long-term funds. The China Insurance Company, a subsidiary of the Bank of China, has overseas branches in places where there are branches of the Bank of China. Branches located in countries which have recognized the government of Communist China are allowed to continue operations in order to generate foreign exchange; the head office in Shanghai is merely a controlling office; there are no branches in China proper.

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The banking system in Central-South China may be summarized in the chart which follows:

[See following page for chart.]